

THE MONTREAL AND SOREL
RAILWAY COMPANY.

C H A R T E R

AND

MORTGAGE DEED OF TRUST.

P 385.714

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THE MONTREAL AND SOREL RAILWAY COMPANY.

INCORPORATED 30TH JUNE, 1881.

C H A R T E R

AND

MORTGAGE DEED OF TRUST.

MONTREAL
AND SOREL
RAILWAY COMPANY

MONTREAL:
MITCHELL & WILSON, PRINTERS.
1881.

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AN ACT TO INCORPORATE THE MONTREAL AND SOREL RAILWAY COMPANY.

Assented to 30th June, 1881.

44 145 Re. — Cap 35

WHEREAS the construction of a railway, as hereinafter set forth, would be a great advantage to that portion of the province through which it would pass, and the neighbourhood thereof; and whereas a petition has been presented praying for the passing of an act to incorporate a company authorised to construct the same, and it is expedient to grant the prayer of such petition; Therefore Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

1. James F. Armstrong, Cyrille Labelle, Antoine Alphonse Taillon, Christopher B. Carter and Charles N. Armstrong, together with such other persons and corporations as may become shareholders of the company hereby incorporated, shall be and are hereby constituted a body politic and corporate under the name of "The Montreal and Sorel Railway Company," and the words "the company," wherever used in this act, shall mean the Montreal and Sorel railway company, hereby incorporated.

2. The company shall have power and authority to locate, construct and complete and work a railway company, and also a telegraph line throughout the entire length of such railway, from a point on the river St. Lawrence opposite or nearly opposite the city of Montreal, passing by or near the villages of Longueil, Boucherville, Varennes and Verchères, and thence to Sorel by St. Antoine, St. Denis or St. Roch.

The company shall also have power to construct a bridge across the River Richelieu.

The company shall also have power to build, own and operate steam and other vessels in connection with the said railway, and may maintain and operate a steam or other ferry between the western terminus of their railway and the city of Montreal, and to and from any places on the river Richelieu, and shall also have power to build such stations, depots, wharves and warehouses as may be necessary to carry on the business of the company.

3. The company shall have all the powers conferred by the "Quebec Consolidated Railway Act of 1880," not inconsistent with the provisions of this Act.

4. The persons named in the first section of this act, with power to add to their number, shall and are hereby constituted the provisional directors of the company, and four of them shall be a quorum; they shall remain in office until the first elections of directors which shall be held under this act: and such provisional directors shall have power, forthwith, to open stock books, and obtain subscriptions to the capital stock of the undertaking; and so soon as they shall have obtained sufficient subscriptions to the capital stock, as hereinafter provided, they shall call a meeting of the shareholders of the Company for the election of directors.

5. The capital stock of the company shall be seven hundred and fifty thousand dollars, divided into shares of one hundred dollars each, but it may be increased from time to time by a vote of the majority in amount of the shareholders, present in person, or represented by proxy, at any meeting specially called for that purpose, to a sum not exceeding one million five hundred thousand dollars.

6. It shall be lawful for the company to receive as aid in the construction of said railway, any vacant lands or any real or personal property or any sums of money either as gifts or by way of bonus, or in payment of stock, and it may legally dispose of and alienate such lands and other real or personal property for the purposes of the company.

7. So soon as an amount of seventy-five thousand dollars of the capital stock of the company shall have been subscribed, and ten per cent thereof paid up, the provisional directors shall call a general

meeting of the subscribers to the capital stock, in the town of Sorel, for the purpose of electing the directors of the company, whose number shall not exceed five ; notice of such meeting shall be published for two weeks in a paper published in the town of Sorel.

8. At such general meeting the shareholders assembled who shall have paid up ten per cent of their subscriptions, shall personally or through their proxies elect the directors of the company, three of whom shall form a quorum, and they may pass such by-laws and regulations as they may deem necessary.

9. Every annual or other general meeting thereafter shall be convened at the time and place, and in the manner prescribed by the said by-laws and regulations.

10. No person shall be chosen or appointed director unless he holds in his own name, at least fifty shares in the capital stock of the said company, and has paid up all calls on the said shares.

11. The directors of the company are hereby authorised to issue mortgage bonds, bearing the seal of the company, and signed by the president, or other presiding officer, and countersigned by the secretary ; and such bonds may be payable in such manner, at such place in Canada or elsewhere, and shall bear such rate of interest as the directors may deem advisable ; and the directors shall have power to issue and sell or pledge all or any of such bonds, at prices and on the terms and conditions as they may deem fit, for the purpose of raising the amount necessary for the carrying out of the undertaking ; provided that the amount of such bonds so issued does not exceed fifteen thousand dollars per mile ; provided also that no such bonds shall be issued until at least seventy-five thousand dollars of the capital stock have been subscribed, and ten per cent thereon paid up.

12. The mortgage bonds hereby authorised to be issued shall, without registration or formal transfer, be received and considered as a first claim and privileged debt against the company, its undertaking, tolls and revenues, and the moveables and immoveables which it now possesses or may hereafter acquire ; and every holder of such bonds shall be deemed a hypothecary creditor, as to such security, pro rata with all other bond holders.

13. All bonds, debentures, hypothecs and other securities hereby authorised, and their coupons and certificates of interest due, may respectively be made payable to bearer, and in such case they shall be transferable by simple delivery, and the holder may sue for recovery thereof in his own name, until they be registered, and, when they are registered, they shall be transferable by a deed of transfer in the same manner as in the case of transfers of shares ; but they shall again become transferable by simple delivery, upon the registration of a transfer to bearer, and the company shall be bound to execute such registration on the application of the then registered holder.

14. The company shall have power and authority to become parties to promissory notes and bills of exchange of not less than one hundred dollars, and any such promissory note or bill of exchange made, accepted or endorsed by the president or vice-president of the company, and countersigned by the secretary, under the authority of a majority of a quorum of the directors, shall be binding on the company ; and every such promissory note or bill of exchange so made shall be presumed to have been duly made with the proper authority, until the contrary be shewn ; and in no case shall it be necessary to have the seal of the company affixed to any promissory note or bill of exchange ; nor shall the president or vice-president or the secretary and treasurer of the company be individually responsible for the same, unless the said promissory note or bill of exchange has been issued without the sanction and authority of the board of directors, as herein provided and enacted. Provided, however, that nothing in this section shall be construed to authorize the company to issue notes or bills of exchange, payable to bearer or intended to be circulated as money, or as the notes or bills of a bank.

15. The directors may, at any time, call upon the shareholders for such instalments upon each share which they or any of them may hold in the capital stock of the said company, and in such proportion as they may see fit. Except that no such instalment shall exceed ten per cent on the subscribed capital, and that one month's notice of each call shall be sent by mail to each shareholder.

16. The company shall have power to amalgamate or make arrangements with any line of railway, for the passage of its cars, situated along the line, the construction whereof is hereby authorized, or which shall cross or join the same, and shall also have full power and authority to enter into and conclude any arrangements with any other railway company, for the purpose of acquiring any branch or branches to facilitate the connection between the company hereby incorporated and such other railway company, or to acquire the corporate property and franchise of such other company.

17. Except as otherwise provided by this act, every railway in the province of Quebec acquired by the company either by purchase or amalgamation and every branch in the province of Quebec made or acquired by the company in pursuance of any arrangement under the provisions of this act, shall be held and deemed to be, according to the true intent and meaning of the "Quebec Consolidated Railway Act, 1880," a railway constructed under the authority of an act passed by the Legislature of Quebec.

18. The company may enter into any arrangement, with any other railway company or with the government of the province of Quebec, for leasing the said railway or any part or branch thereof, or the use thereof, at any time or for any period, or for leasing or hiring from such other company or the said government any railway or any part or branch thereof, or the use thereof at any time or times, and for any period, or for leasing or hiring as lessors or leasees any locomotives, tenders, cars or other rolling stock or moveable property from any such company, or any company or individuals or the said government, and generally to make any agreement or arrangement with any other such company or the said government touching the use by one or the other or by both, of the said railway or rolling stock or moveable property of either or both, or any part thereof, or touching any service to be rendered by the one to the other, and the compensation therefor; provided the said leases, arrangements and agreements had been first respectively sanctioned by the majority of votes, at a special general meeting of the shareholders, called for the purpose of considering the same respectively, after due notice given as provided by "The Quebec Consolidated Railway Act, 1880."

19. All shareholders in the company, whether British subjects or aliens or residents of Canada or elsewhere, shall have equal rights to hold stock in the company, and to vote on the same, and be eligible to any office in the company.

20. All deeds and conveyances of lands to the said company, for the purposes of this act, in so far as circumstances will admit, may be in the form of the schedule A to this act subjoined.

21. Work shall be commenced on the said railway within six months from the sanctioning of this act, and shall be completed within two years thereafter.

22. This act shall come into force on the day of its sanction.

—:—

SCHEDULE A.

DEED OF SALE.

Know all men, by these presents, that
 of _____ in the County of _____ for and
 in consideration of the sum of _____ to
 paid by the Montreal and Sorel railway company, which
 acknowledges to have received, grant, bargain, sell and convey unto
 the said Montreal and Sorel railway company, their successors and
 assigns, all that tract or parcel of land
 the same having been selected and laid out by the said company, for
 the purposes of their railway, to have and to hold the said lands and
 premises unto the said company, their successors and assigns for
 ever.

Witness _____ hand and seal
 at _____ this _____ day
 of _____ one thousand eight hundred
 and _____

Signed, sealed and delivered }
 in the presence of }

This Indenture, made this fifteenth day of July, A.D. one thousand eight hundred and eighty-one, between THE MONTREAL AND SOREL RAILWAY COMPANY, a body politic and corporate, duly incorporated under a Statute of the Legislature of the Province of Quebec, (hereinafter called "the Company,") of the one part, and JONATHAN SAXON CAMPBELL WÜRTELE, of the City of Montreal, Esquire, Queen's Counsel, and ALPHONSE A. TAILLON, of the Town of Sorel, Esquire, Banker, Trustees (hereinafter called "the Trustees,") of the other part, witnesseth. That,

WHEREAS in and by the said Act of the Legislature of the Province of Quebec, the Company is authorized to issue Mortgage Bonds to the extent of fifteen thousand dollars per mile upon its entire length of railway and for the purpose of securing the payment of the same and the interest thereon, to convey its Railway, franchise and all property, rights and interests owned, possessed or enjoyed by it, and the tolls, income and profits, to Trustees in trust for that purpose :

AND WHEREAS at a meeting of the Shareholders of the Company held at the Town of Sorel, on the thirtieth day of June one thousand eight hundred and eighty-one, a vote of said Shareholders was duly and legally passed, accepting of said Act. And WHEREAS at a meeting of the Directors of the said Company duly held at the said Town of Sorel, on the fifteenth day of July instant, 1881, a resolution was duly and legally passed authorizing and directing the President or Vice-President and Secretary-Treasurer of the Company for and in the name of the Company, to execute and issue Bonds of the Company to the amount of one hundred and fifty thousand pounds sterling, being less than fifteen thousand dollars per mile upon the entire length of Railway of the Company now being and to be constructed, in the denominations and payable at the time and place, and with the interest, and executed in the manner hereinafter specified and set forth ; and did authorize and direct the said President or Vice-President and Secretary-Treasurer of the Company, for and in the name of the Company, to execute and deliver this conveyance for the purpose of securing the payment of said Bonds and the interest thereon, and did designate the said JONATHAN SAXON CAMPBELL WÜRTELE and ALPHONSE A. TAILLON as the Trustees to whom this conveyance should be made for the purposes aforesaid :

AND WHEREAS the Company, by its Vice-President and Secretary-Treasurer, in pursuance of the authority aforesaid, have executed and issued one thousand five hundred Bonds of the Company, each for the sum of one hundred pounds sterling money of Great Britain, dated the fifteenth day of July, 1881, and payable to the Trustees or the bearer thereof on the first day of January, one thousand nine hundred and twelve, at the office of the Company in the City of London, England, with interest at the rate of six per cent. per annum, payable semi-annually on the first days of July and January in each year, upon presentation and surrender of the proper Interest Coupons therefor, said interest payable at the office of the Company in the City of London, England, to each of which said Bonds are attached Interest Coupons for the several instalments of interest to fall due thereon, and each of said Bonds is signed by the Vice-President, and countersigned by the Secretary-Treasurer of the Company, and is certified by the Trustees to be one of the Bonds secured by this conveyance, and said Bonds are numbered from 1 to 1500, both inclusive, and are in the general form, following, that is to say :

DOMINION OF CANADA,

PROVINCE OF QUEBEC.

Pounds

100

Sterling.



Pounds

100

Sterling.

THE MONTREAL AND SOREL RAILWAY CO.

FIRST MORTGAGE SIX PER CENT. COUPON BONDS.

No.

No.

Know all Men by these Presents,

that THE MONTREAL AND SOREL RAILWAY COMPANY is indebted to JONATHAN SAXON CAMPBELL WÜRTELE and ALPHONSE A. TAILLON, Trustees, or to the bearer hereof, in the sum of one hundred pounds sterling money of Great Britain, which the said Company promises to pay to the said Trustees, or to the bearer hereof, on the first day of January in the year of our Lord one thousand nine hundred and twelve, at its agency in London, with interest thereon at the rate of six per cent. per annum, at the same place, payable semi-annually on the first days of January and July in

each year on the surrender of the annexed Coupons as they severally become due for such interest.

THIS BOND is one of a series of Bonds issued and to be issued to an aggregate amount not exceeding one hundred and fifty thousand pounds sterling, consisting of one thousand five hundred bonds for one hundred pounds sterling each, and numbered consecutively from one (1) to fifteen hundred (1500) inclusive, all of which are of like date, and equally secured by a deed of trust or mortgage, bearing even date herewith, conveying to the said JONATHAN SAXON CAMPBELL WÜRTELE and ALPHONSE A. TAILLON, as Trustees, and their successors in the trust, the railroad of the said Company, with all and singular the equipments and appurtenances thereof, and the franchises of the said Company, as by reference to said deed of trust or mortgage will more fully and at large appear.

In case of the non-payment of any semi-annual instalment of interest for six months after the same shall have become due and payable, the principal hereof may become due as provided in the said mortgage.

This Bond shall not become obligatory upon the Company until the certificate endorsed hereon is signed by the Trustees of the said mortgage.

IN WITNESS WHEREOF The Montreal and Sorel Railway Company has caused its Corporate Seal to be hereunto affixed, and these presents to be signed by its President or Vice-President, this fifteenth day of July, one thousand eight hundred and eighty-one.

Corporate
Seal.

..... *President.*

..... *Secretary-Treasurer.*

TRUSTEES' CERTIFICATE.

THE UNDERSIGNED CERTIFY that this Bond is one of a series of 1500 Bonds of like tenor and date, numbered consecutively from 1 to 1500 inclusive for £100 each, amounting in the aggregate to £150,000 sterling, and secured by the deed herein described.

} *Trustees.*

// Now therefore this Indenture witnesseth, that the Company, for and in consideration of the premises, and for the purpose of securing the payment of the said Bonds so issued and to be issued, and the interest thereon, as specified in the Interest Coupons thereto attached, has bargained, sold, aliened, conveyed and confirmed, and by these presents does bargain, sell, alien, convey, and confirm, unto the said Trustees, as joint tenants, and not as tenants in common, and the survivor of them, and the heirs of such survivor and their successors and assigns, the railway of the Company, as the same is now located and is being constructed, situated in the Province of Quebec, and extending from St. Lambert in the County of Chambly opposite the City of Montreal, to a point on the River Richelieu opposite the Town of Sorel in the County of Richelieu,—the whole as provided for in the said Statute, and all the lands, wharfs, docks and bridges now owned by the Company, or that may hereafter be acquired by it, for the purposes or uses of the said Railway, with the stations, freight-houses, side tracks, shops, engine houses, water and water rights, water-tanks, and all other buildings and structures whatsoever standing upon any and all of said lands or used in connection with said Railway, together with the franchise of the Company for the constructing, maintaining and operating the said Railway and all rights secured to the Company by its Charter.

And also all cars, locomotives, tenders, wood, ties, steel and iron rails, tools, machinery supplies and personal property of every description now owned by the Company, or that may from time to time hereafter be acquired by the Company, for the purpose of operating and maintaining the said Railway and transacting the business thereof; and also all tolls, freight, profits and income of any and all kinds and descriptions derived or received, or to be derived or received, by the Company from said Railway and from all and singular the property herein conveyed, and from transacting the business thereof.

TO HAVE AND TO HOLD the said granted premises, franchises, rights, interests, income, profits and property, with all the appurtenances thereof or in any manner thereunto belonging, unto the said Trustees as joint tenants and not as tenants in common, and the survivor of them, and the heirs of such survivor and their successors and assigns forever;

IN TRUST, NEVERTHELESS, to and for the uses and purposes and with the powers and authority hereinafter mentioned and set forth :

ARTICLE FIRST.—It is expressly agreed and understood that the Company may at any time hereafter construct and complete any branch or branches of its railway authorized by its charter, and if the Company shall construct any such branch or branches upon the completion thereof it shall have the right to execute and issue Bonds from time to time, to an amount not exceeding fifteen thousand dollars for each mile of such branch or branches so constructed and completed, and such additional Bonds from time to time when issued shall share *pro rata* with the Bonds already issued, in the security, privileges and rights granted and secured by these presents.

ARTICLE SECOND.—The holders and owners of said additional Bonds when issued shall be entitled and have the same rights, remedies and title as the holders and owners of the Bonds already issued have under this indenture or otherwise.

ARTICLE THIRD.—It is expressly covenanted and agreed by and between the Company, for itself and its successors and assigns, and the Trustees, for themselves and their successors and assigns, that until default shall be made in the payment of the said Bonds or in the payment of some portion of the interest thereon at the times specified and according to the tenor and effect of said Bonds or the Interest Coupons thereto attached, and such default shall continue for the space of six months, the Company, its successors or assigns, shall be entitled and have the right to retain the possession of all the Railway, property, rights and interest hereby conveyed, and to run, operate and manage the same, and to take and receive all and singular the tolls, receipts, income and profits of the same, and the business thereof, for their own use, benefit and advantage in all respects as fully and absolutely as if this Indenture had not been made, anything herein contained to the contrary notwithstanding.

ARTICLE FOURTH.—If default shall be made in the payment of the said Bonds or any of them, or the interest thereon or any part thereof, at the times specified in and according to the tenor and effect of said Bonds and the Interest Coupons thereto attached, and such default shall continue for the space of six months, then, and so often

as any such default shall happen and shall continue for the term aforesaid, the Trustees, or their successors or assigns, shall be entitled, and have the right, to take and receive the immediate possession of the said Railway and all the property, rights and interests hereby conveyed, or intended to be, and to run, operate and manage the same, and to take and receive all and singular the tolls, receipts, income and profits of the same, and the business thereof, as fully and absolutely as the Company might otherwise do ; and use, pay out and disburse said tolls, receipts, income and profits in the payment and settlement of all expenses of running, operating, managing and maintaining the said Railway and other property, rights and interests hereby conveyed, including all rents due for the use of any and all railways and property leased to the Company as specified in the leases thereof, or agreements in respect thereto, and all expenses and liabilities incurred by the Trustees, their successors and assigns in that behalf, and a reasonable compensation to them for their services ; and also all expenses of renewing, repairing and increasing the said Railway and other property, for the purpose of keeping the same in good condition for the transaction of the business thereof, and all taxes and assessments on the said property herein conveyed, and all legal claims thereon arising from the operating of said Railway, including damages caused by accidents and all other charges, and the balance of said tolls, receipts, income and profits, after paying or providing for the payment of all and singular the expenses and payments aforesaid to use, pay out and disburse semi-annually on the first days of January and July of each year, while they shall so be in the possession of said Railway and other property, as aforesaid, to the holders and owners of the Bonds aforesaid, or of the past due Interest Coupons thereof, in payment and satisfaction of all such Bonds and Interest Coupons as shall be unpaid or in default at the time they shall have taken possession of said railway and other property, as aforesaid, and that shall be or become due or in default while they are so in possession as aforesaid, and all legal interest and costs accrued thereon ; and if there shall not be a sufficient amount of such balance, at any of such times of payment, to pay and satisfy all of such Bonds or Interest Coupons then due or past due and in default, together with the interest and costs accrued thereon, then to pay such balance, to the holders of such overdue Bonds or Coupons rateably according to the amount of such overdue Bonds or Coupons held by each, preferring and paying first in full such overdue Coupons, and the interest and

costs accrued thereon, as shall be longest overdue ; and if the amount of such balance at any such times of payment shall be more than sufficient to pay and satisfy all such Bonds and Interest Coupons as shall then be due or past due, and the interest and costs accrued thereon, then to pay the residue of such balance after paying all such due and overdue Bonds and Coupons to the Company, its successors or assigns.

ARTICLE FIFTH.—The Trustees, their successors or assigns, shall continue to hold the possession of the said Railway and other property, hereby conveyed after they have taken possession of the same, as aforesaid, until all of the Bonds and Interest Coupons due and in default at the time they shall so take possession, as aforesaid, and all the Bonds and Interest Coupons that shall fall due and become in default while they are so in possession, together with the interest and costs accrued thereon, shall have been fully paid and satisfied by the application by them of the net balances of said tolls, receipts, income and profits, as aforesaid, or by payment thereof by the Company, its successors or assigns. And when and as often as all such due or past due Bonds and Coupons, and the interest and costs accrued thereon, shall be paid and satisfied, either by the application of the said net balances of such tolls, receipts, income and profits, as aforesaid, or by payment thereof by the Company its successors or assigns, then the Trustees, their successors or assigns shall immediately surrender the possession of the said Railway and other property so held by them to the Company, its successors and assigns, who shall thereupon take and hold the same under the stipulations, covenants and agreements of this Indenture as if no default had before then been made in the payment of said Bonds or the interest thereon, except as hereinafter expressly stipulated.

ARTICLE SIXTH.—The Company for itself and its successors and assigns, does hereby covenant to and with the Trustees, their successors and assigns, that, if default be made in the payment of said Bonds or any of them, or any of the interest thereon, at the times specified, and according to the tenor and effect of said Bonds and the Interest Coupons thereto attached, and such default shall continue for the term of six months, that it will and its successors and assigns shall, immediately upon the expiration of said term of six months after any such default shall happen, quietly surrender the

possession of the said Railway and other property, rights and interests hereby conveyed to the Trustees, their successors and assigns, or to their agents, servants and attorneys, by them appointed and authorized to receive and take possession thereof, and will freely allow them to run, operate and manage the same and take and receive the tolls, receipts, income and profits thereof, then due or thereafter to become due or accrue, for the purposes and as hereinafter stipulated.

ARTICLE SEVENTH.—The Trustees for themselves and their successors and assigns, do hereby covenant to and with the Company, its successors and assigns, that, if they shall at any time be in the possession of the said Railway and other property hereby conveyed, by reason of any default being made in the payment of said Bonds or the interest thereon, as hereinbefore provided, when and so soon as all Bonds and Coupons due or in default at the time they shall have so taken possession as aforesaid, and all Bonds and Interest Coupons that shall fall due or be in default while they are so in possession as aforesaid, shall be fully paid and satisfied, with all interest and costs accrued thereon, either by the application thereto of the net balance of the tolls, receipts, income and profits, as aforesaid, or by payment of the same by the Company, its successors or assigns, then they will, and their successors and assigns shall, immediately surrender the possession of said Railway and other property to the Company its successors and assigns, or to their agents, servants and attorneys, duly authorized to take and receive possession thereof, unless the Company its successors and assigns, shall before such Bonds and Coupons have been fully paid and satisfied as aforesaid, have become divested of all interest, equity of redemption, claim and title in or to said Railway and other property, as hereinafter provided.

ARTICLE EIGHTH.—It is further hereby expressly covenanted and agreed by and between the Company for itself and its successors and assigns and the Trustees for themselves and their successors and assigns, that if at any time default shall be made in the payment of any of said Bonds or any of the Interest Coupons thereto attached, and such default shall continue for the space of six months, then or at any time thereafter while any of said Bonds or any of said Coupons shall be unpaid and six months or more past due, and whether the Trustees shall then be in the possession of said Railway and other pro-

erty hereby conveyed or not, the Trustees, their successors or assigns, may serve or cause to be served upon the Company, its successors or assigns, a notice in writing setting forth that such Bonds or Interest Coupons, as the case may be, and describing them, are six months past due and unpaid, and that, unless the same with all interest and costs accrued and to accrue thereon are paid before a day certain, to be specified in said notice, which day shall not be less than two years after the date of the service of said notice nor more than two years and one month after the date of such service, together with all other Bonds and Interest Coupons secured hereby that shall be or become six months or more past due and unpaid at said date, together with all interest and costs accrued and to accrue thereon, the Company, its successors and assigns, shall be divested of all interest, equity of redemption, claim and title in and to the said Railway, franchise and other property hereby conveyed, and that the same shall be and become vested absolutely in the Trustees, their successors and assigns, as such Trustees, in payment and satisfaction of all of said Bonds and all Interest Coupons due or to fall due thereon. And if said Bonds or any of them, or any of the Interest Coupons thereto attached shall be in default and remain in default and unpaid for the space of six months as aforesaid, and such notice shall be served upon the Company, its successors or assigns, while the same or any of them are six months or more in default as aforesaid, on the day specified in said notice as the day before which payment of such overdue Bonds or Coupons must be made, being not less than two years after the date of the service of said notice and not more than two years and one month after the date of such service, the Company, its successors and assigns, shall be and become divested fully and absolutely of all interest, equity of redemption, claim and title in and to the said Railway, franchise and other property hereby conveyed, and the same shall immediately thereupon be and become vested fully and absolutely in the Trustees, their successors and assigns, as Trustees as aforesaid, in payment and satisfaction of all of said Bonds and all Interest Coupons thereof, whether the same are then due or not, unless before the day mentioned in said notice for the payment of such overdue Bonds or Coupons, as aforesaid, all of the Bonds and Coupons shall be paid and satisfied which, at the time of such payment, shall be six months past due in default, together with all interest and costs accrued thereon, And for the purpose of making such payment and relieving the Company,

its successors or assigns, from such foreclosure, a payment to the Trustees, their successors or assigns, or a tender to them of a sum sufficient to pay and satisfy all Bonds and Coupons at the time of such payment or tender six months overdue and unpaid, and the interest and costs accrued thereon, shall be construed to be and be a sufficient payment of such Bonds and Coupons so six months overdue and unpaid, as aforesaid, to work a redemption of the premises hereby conveyed, and to prevent the divesting of the interest, equity of redemption, claim and title of the Company, its successors and assigns therein, as hereinbefore provided.

ARTICLE NINTH.—If said Bonds and Coupons so six months past due and unpaid as aforesaid shall not be paid before the day mentioned in said notice for the payment thereof as aforesaid, together with all interest and costs accrued thereon, on said day mentioned in said notice, the Trustees and their successors and assigns, shall be and become the absolute owners of said Railway, franchise and other property hereby conveyed, in trust for the holders and owners of said Bonds and Interest Coupons then outstanding and unpaid. And all of said Bonds and Interest Coupons then outstanding, and whether the same be then due or not, and in the hands of whomsoever they may be, shall by such vesting of said title to said Railway franchise and other property absolutely in said Trustees, their successors and assigns, as aforesaid, be and become paid and satisfied to all intents and purposes so far as they or any of them purport to evidence any debt against the Company, and shall thereafter be binding and valid only as showing the interest or right of the holder or holders thereof in and to the Railway, franchise and other property so acquired absolutely by the Trustees, their successors and assigns, as aforesaid, and in the rents, income and profits thereof.

ARTICLE TENTH.—It is further hereby expressly covenanted and agreed by and between the Company for itself and its successors and assigns, and the Trustees for themselves and their successors and assigns, that said Trustees or either of them, or any person who may at any time be a Trustee under this Indenture, may at any time resign their said office and trust, and be discharged from all further duty and liability as such Trustee, by giving three months' notice in writing to the remaining Trustee or Trustees and to the Company, its successors or assigns, of his or their intention to do so, and pro-

calling a meeting of the holders of said Bonds before the expiration of said three months, to be held for the purpose of accepting said resignation and appointing another or others in his or their place and stead as Trustee or Trustees, as hereinafter provided.

ARTICLE ELEVENTH.—In case any such Trustee shall tender his resignation, and the Company by resolution, and the holders of two-thirds of said Bonds then outstanding by instrument in writing, signed by them, shall accept said resignation and appoint a successor, such notice and meeting of Bondholders shall not be necessary, and upon delivery of proof of said acceptance and appointment to the surviving Trustee or Trustees, and the acceptance of said appointment by the person so appointed, the person so appointed shall be and become a Trustee under this Indenture in the place and stead of the person so resigning.

ARTICLE TWELFTH.—It is further covenanted, declared and agreed that in case a vacancy shall at any time exist in the said Board of Trustees, or any Trustee shall become *non compos mentis* or otherwise legally incapable or unfit to act in said trust, then the remaining Trustees or Trustee may and shall exercise temporarily all the powers herein granted to all said Trustees, their successors and assigns, and in case a vacancy shall exist in the said Board of Trustees at any time from death or any cause, or in case any Trustee shall become *non compos mentis*, or otherwise legally incapable or unfit to act in said trust, or in case notice shall be given by any Trustee of his intention to resign as aforesaid, another or other Trustee or Trustees may be appointed to fill the said vacancy in said Board of Trustees, or to take the place of such Trustee or Trustees so incapable or unfit to act or intending to resign as aforesaid, by the holders and owners of the Bonds aforesaid at a meeting of such holders and owners duly called and holden as hereinafter provided. And if from any cause there shall be a failure to supply or fill any vacancy that may occur in said Board of Trustees for the space of three months from the time when such vacancy shall happen, or if the Board of Trustees shall become wholly vacant from any cause, then any Judge of the Superior Court in the Province of Quebec, resident in the City of Montreal or Town of Sorel, or any person so resident, as an individual, holding the office of such Judge, upon application of any holder of said Bonds, and upon such notice to the Company, its

successors and assigns, and the holders of said Bonds, and to the surviving Trustees, if any, as such Judge or person may direct, shall have full power and authority to appoint a Trustee or Trustees to fill any such vacancies.

ARTICLE THIRTEENTH.—The holders and owners of said Bonds at any meeting of such holders and owners duly and legally called and holden, as hereinafter provided, may remove any or all of the Trustees then acting under this Indenture, and appoint another or other Trustee or Trustees in his or their place and stead, provided that they shall not remove such Trustees as aforesaid unless said Bonds or some of them, or some portions of the Interest Coupons thereof, shall then be six months or more past due and unpaid.

ARTICLE FOURTEENTH.—Any Trustee or Trustees appointed in either or any of the modes aforesaid shall from the time of their appointment have the same power and authority, and be subject to the same rights and duties, as the Trustees herein named, and shall immediately upon his or their appointment, succeed to and become vested with all the estate, rights and duties herein given to the Trustees, jointly with their associates, without any other formality or transfer except an acceptance of such appointment by such Trustee or Trustees, as fully and absolutely as if the names of such new Trustee or Trustees had been inserted originally in this Indenture as Trustee or Trustees, and no change in the *personnel* of said Trustees shall in any manner affect the validity of said Bonds secured by this Deed of Trust and Mortgage.

ARTICLE FIFTEENTH.—It is further hereby covenanted and agreed that, if the Trustees, their successors and assigns, shall take the possession of the Railway and other property hereby conveyed, and run, operate and manage the same as hereinbefore provided, that the holders and owners of the said Bonds at meetings of such holders and owners, duly called and holden as hereinafter provided, may direct the said Trustees, their successors or assigns, as to how said Railway and other property shall be run, operated and managed, and may direct the Trustees, their successors and assigns, as to all matters to be done by them under this Indenture, and all directions so given, not inconsistent with the provisions of this Indenture or the law of the land, shall be strictly followed by the Trustees, their successors and assigns.

ARTICLE SIXTEENTH.—It is hereby further expressly stipulated and agreed that the Trustees, their successors and assigns, shall keep at the office of the Company, in the Town of Sorel, an appropriate book for the transfer of said Bonds, and shall also keep at the same place a certain other book to be designated as the Register of First Mortgage Bondholders, and every holder of Bonds secured hereby shall be entitled to have his name and address and the denomination and numbers of any of the said Bonds held by him entered in such Register upon presenting at said office a written statement of the said particulars, signed by him, and, if required, duly verifying his title to said Bonds by the production thereof or a written order or power of attorney authorizing the transfer upon said Transfer Book of the same to him by the person last registered as the holder thereof, if the name of such last holder shall appear upon such Register. And every registration of the ownership of any such Bond shall be properly certified upon such Bond; and the Trustees, their successors and assigns, may appoint and employ a transfer agent to make and certify such registration and to keep said Transfer Book and Register. And after a registration of ownership certified on any Bond, as aforesaid, no transfer thereof, except upon said Transfer Book, shall be valid, unless the last preceding transfer shall have been to bearer, which shall restore transferability to such Bond by delivery; but every such Bond shall continue subject to successive registrations and transfers to bearer as aforesaid, at the option of each holder. And the registration of the name and address of a Bondholder and the denominations and numbers of the Bonds by him held upon said Register shall be evidence of the right of the person so registered to vote as a Bondholder at any meeting of Bondholders or to do any other act which by these presents a Bondholder is declared or may be entitled to do with respect to the Bond so registered.

ARTICLE SEVENTEENTH.—It is further hereby expressly covenanted and agreed that meetings of the holders and owners of the said Bonds may be called at any time by the Trustees acting under this Indenture, or, in case of their neglect or refusal to call such meeting for ten days after being requested, by any person or persons holding two hundred of said Bonds, which meeting shall be called by mailing to each Bondholder, as shown by said Register, a notice of the time and place of holding such meeting and the purpose of

calling the same, at least two months before the time of holding said meeting, and by publishing a like notice for two months before said meeting in two newspapers of general circulation, one in the City of Montreal and one in the Town of Sorel, and at any such meeting called as aforesaid, or at any adjournment thereof (the holders of a majority in amount of all of said Bonds outstanding being present or represented), the said Bondholders by resolution adopted by the majority in amount of the Bondholders present, may do and perform any act or thing herein provided to be done by the Bondholders at any such meeting. And at any such meeting each Bondholder present or represented shall be entitled to as many votes as the number of Bonds held or owned by him ; and any Bondholder may vote and act at any such meeting either in person or by proxy or attorney duly appointed ; and the acts passed or done at any such meeting may be authenticated by the signatures of the Bondholders or their proxies or attorneys voting for the same, before any public notary in the Province of Quebec, or by a record of the proceedings of such meeting duly made and certified by the Transfer Agent of said Trustees or by one of the Trustees, then acting under this Indenture, appointed by said meeting for that purpose.

ARTICLE EIGHTEENTH.—The Company, for itself and its successors and assigns, does hereby covenant and agree to and with the Trustees, their successors and assigns, that it will make and execute and deliver to the Trustees, their successors and assigns, such further instruments and conveyances from time to time as may in the opinion of Counsel learned in the law be necessary or proper for better or more fully conveying said property and premises, and all and every part thereof, to the Trustees, their successors and assigns, or for the better effecting the objects and purposes of this Indenture.

PROVIDED, however, and this Indenture is upon the express condition that if the Company, its successors or assigns, shall well and truly pay or cause to be paid to the holder or holders of the Bonds aforesaid the several instalments of interest thereon, at the times and according to the tenor and effect of the Interest Coupons thereto attached respectively, and also the principal sums mentioned in said Bonds at the time and according to the tenor and effect of said Bonds respectively, and shall save the Trustees and their successors and assigns harmless and indemnified from all necessary ex-

penses and liabilities assumed or incurred by means of this trust or the execution or performance of the same by them, and shall at all times well and truly perform all the duties incumbent upon it by the provisions of this Indenture, then, and in that case, these presents and the estate hereby conveyed shall cease and determine, otherwise the same shall be and remain in full force.

ARTICLE NINETEENTH.—The Trustees hereby accept the trusts hereby created and declared, and for themselves and their successors and assigns agree to discharge the same, except in case of resignation or removal, as hereinbefore provided (neither of said Trustees nor their successors to be held responsible for any default or misconduct of any other Trustee); and in case they shall come into possession of said railway and other property hereby conveyed under and by virtue of the provisions of this Indenture, or otherwise, they hereby agree to manage and operate the same according to law and the stipulations of this Indenture and for the best interests of the holders of the Bonds aforesaid hereby secured as signified and declared to them by the holders of said Bonds at any meeting of said Bondholders called and holden as hereinbefore provided.

IN WITNESS WHEREOF The Montreal and Sorel Railway Company has caused its Corporate Seal to be hereto affixed and these presents to be signed by its Vice-President and countersigned by its Secretary-Treasurer, and the said Trustees have signed these presents and severally affixed their seals hereto at the Town of Sorel the day, month and year first before written.

Corporate Seal.

..... *President.*

..... *Secretary-Treasurer.*

..... *Trustee.*

..... *Trustee.*

RECORDED
 MAY 1906

See - section 6 - also 11-12

Article 1967 CC.

1970

1971

1975

Wallbridge & Farnell

3, M. L. R. 86 p 241.

6 M. L. R. 813 p 77

18 86. R. p. 1.

But see reference to

Redford & Wickham

at page 7-

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